

105TH CONGRESS  
1ST SESSION

# H. R. 2840

To provide Government-wide accounting of regulatory costs and benefits,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 6, 1997

Mr. BLILEY (for himself, Mr. McINTOSH, Mr. CONDIT, Mr. STENHOLM, Mr. SHUSTER, Mr. PICKETT, Mr. GOODE, Mr. HALL of Texas, Mr. JOHN, Mr. TURNER, Mr. ENGLISH of Pennsylvania, Mr. GOODLATTE, Mr. ARMEY, Mr. DeLAY, Mr. HASTERT, Mr. SMITH of Texas, Mr. CRAMER, Mr. GILLMOR, Mr. OXLEY, and Mr. LARGENT) introduced the following bill; which was referred to the Committee on Government Reform and Oversight

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## A BILL

To provide Government-wide accounting of regulatory costs  
and benefits, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Regulatory Right-to-  
5 Know Act of 1997”.

6 **SEC. 2. PURPOSES.**

7 The purposes of this Act are to—

1           (1) promote the public right-to-know about the  
2           costs and benefits of Federal regulatory programs  
3           and rules;

4           (2) promote Government accountability for the  
5           growth of Federal regulatory programs and rules;  
6           and

7           (3) encourage open communication among Fed-  
8           eral agencies, the public, the President, and Con-  
9           gress regarding regulatory priorities.

10 **SEC. 3. DEFINITIONS.**

11       For purposes of this Act:

12           (1) AGENCY.—The term “agency” means any  
13           executive department, military department, Govern-  
14           ment corporation, Government controlled corpora-  
15           tion, or other establishment in the executive branch  
16           of the Government (including the Executive Office of  
17           the President), or any independent regulatory agen-  
18           cy, but shall not include—

19                   (A) the General Accounting Office;

20                   (B) the Federal Election Commission;

21                   (C) the governments of the District of Co-  
22           lumbia and of the territories and possessions of  
23           the United States, and their various subdivi-  
24           sions; or

1 (D) Government-owned contractor-oper-  
2 ated facilities, including laboratories engaged in  
3 national defense research and production activi-  
4 ties.

5 (2) BENEFIT.—The term “benefit” means the  
6 reasonably identifiable significant favorable effects,  
7 including social, environmental, and economic bene-  
8 fits, that are expected to result directly or indirectly  
9 from implementation of a rule.

10 (3) COST.—The term “cost” means the reason-  
11 ably identifiable significant adverse effects, including  
12 social, environmental, and economic costs that are  
13 expected to result directly or indirectly from imple-  
14 mentation of, or compliance with, a rule.

15 (4) PROGRAM ELEMENT.—The term “program  
16 element” means a rule or related set of rules.

17 (5) RULE.—The term “rule” has the same  
18 meaning given such term in section 551(4) of title  
19 5, United States Code, except that such term shall  
20 not include—

21 (A) administrative actions governed by sec-  
22 tions 556 and 557 of title 5, United States  
23 Code;

1 (B) rules issued with respect to a military  
2 or foreign affairs function of the United States;  
3 or

4 (C) rules related to agency organization,  
5 management, or personnel.

6 **SEC. 4. ACCOUNTING STATEMENT.**

7 (a) IN GENERAL.—

8 (1) ADMINISTRATION.—The President, acting  
9 through the Director of the Office of Management  
10 and Budget, shall be responsible for implementing  
11 and administering the requirements of this Act.

12 (2) ACCOUNTING STATEMENT.—No later than  
13 January 2000, and each January every 2 years  
14 thereafter, the President shall prepare and submit to  
15 Congress an accounting statement that estimates the  
16 costs and corresponding benefits of Federal regu-  
17 latory programs and program elements in accord-  
18 ance with this section.

19 (b) YEARS COVERED BY ACCOUNTING STATE-  
20 MENT.—Each accounting statement (other than the initial  
21 accounting statement) submitted under this Act shall  
22 cover, at a minimum, the costs and corresponding benefits  
23 for the 5 fiscal years preceding October 1 of the year in  
24 which the report is submitted. The statement shall also  
25 contain a projection of the costs and corresponding bene-

1 fits for the next 10 fiscal years, based on rules in effect  
2 or projected to take effect. The statement may cover any  
3 fiscal year preceding such fiscal years for the purpose of  
4 revising previous estimates.

5 (c) TIMING AND PROCEDURES.—

6 (1) NOTICE AND COMMENT.—The President  
7 shall provide notice and opportunity for comment for  
8 each accounting statement. The President may dele-  
9 gate to an agency the requirement to provide notice  
10 and opportunity to comment for the portion of the  
11 accounting statement relating to that agency.

12 (2) TIMING.—The President shall propose the  
13 first accounting statement under this section no  
14 later than 1 year after the date of enactment of this  
15 Act. Such statement shall cover, at a minimum, each  
16 of the preceding fiscal years beginning with fiscal  
17 year 1997.

18 (d) CONTENTS OF ACCOUNTING STATEMENT.—

19 (1) ESTIMATES OF COSTS.—(A) An accounting  
20 statement shall estimate the costs of Federal regu-  
21 latory programs and program elements by setting  
22 forth, for each year covered by the statement—

23 (i) the annual expenditure of national eco-  
24 nomic resources for each regulatory program  
25 and program elements; and

1 (ii) such other quantitative and qualitative  
2 measures of costs as the President considers  
3 appropriate.

4 (B) For purposes of the estimate of costs in the  
5 accounting statement, national economic resources  
6 shall include, and shall be listed under, at least the  
7 following categories:

8 (i) Private sector costs.

9 (ii) Federal sector administrative costs.

10 (iii) Federal sector compliance costs.

11 (iv) State and local government adminis-  
12 trative costs.

13 (v) State and local government compliance  
14 costs.

15 (2) ESTIMATES OF BENEFITS.—An accounting  
16 statement shall estimate the corresponding benefits  
17 of Federal regulatory programs and program ele-  
18 ments by setting forth, for each year covered by the  
19 statement, such quantitative and qualitative meas-  
20 ures of benefits as the President considers appro-  
21 priate. Any estimates of benefits concerning reduc-  
22 tion in health, safety, or environmental risks shall be  
23 based on sound and objective scientific practices and  
24 shall present the most plausible level of risk prac-

1       tical, along with a statement of the reasonable de-  
2       gree of scientific certainty.

3   **SEC. 5. ASSOCIATED REPORT TO CONGRESS.**

4       (a) IN GENERAL.—In each year following the year  
5   in which the President submits an accounting statement  
6   under section 4, the President, acting through the Direc-  
7   tor of the Office of Management and Budget, shall, after  
8   notice and opportunity for comment, submit to Congress  
9   a report associated with the accounting statement (herein-  
10  after referred to as an “associated report”). The associ-  
11  ated report shall contain, in accordance with this section—

12               (1) analyses of impacts;

13               (2) identification and analysis of jurisdictional  
14   overlaps, duplications, and potential inconsistencies  
15   among Federal regulatory programs; and

16               (3) recommendations for reform.

17       (b) ANALYSES OF IMPACTS.—The President shall in-  
18  clude in the associated report the following:

19               (1) ANALYSES.—Analyses prepared by the  
20   president of the cumulative impact of Federal regu-  
21   latory programs covered in the accounting state-  
22   ment. Factors to be considered in such report shall  
23   include impacts on the following:

1           (A) The ability of State and local govern-  
2           ments to provide essential services, including  
3           police, fire protection, and education.

4           (B) Small business.

5           (C) Productivity.

6           (D) Wages.

7           (E) Economic growth.

8           (F) Technological innovation.

9           (G) Consumer prices for goods and serv-  
10          ices.

11          (H) Such other factors considered appro-  
12          priate by the President.

13          (2) SUMMARY.—A summary of any independent  
14          analyses of impacts prepared by persons commenting  
15          during the comment period on the accounting state-  
16          ment.

17          (c) RECOMMENDATIONS FOR REFORM.—The Presi-  
18          dent shall include in the associated report the following:

19               (1) PRESIDENTIAL RECOMMENDATIONS.—A  
20          summary of recommendations of the President for  
21          reform or elimination of any Federal regulatory pro-  
22          gram or program element that does not represent  
23          sound use of national economic resources or other-  
24          wise is inefficient.

1           (2) RECOMMENDATIONS FROM COMMENTERS.—

2           A summary of any recommendations for such reform  
3           or elimination of Federal regulatory programs or  
4           program elements prepared by persons commenting  
5           during the comment period on the accounting state-  
6           ment.

7   **SEC. 6. GUIDANCE FROM OFFICE OF MANAGEMENT AND**  
8           **BUDGET.**

9           The Director of the Office of Management and Budg-  
10          et shall, in consultation with the Council of Economic Ad-  
11          visers, and after independent and external peer review,  
12          provide guidance to agencies—

13               (1) to standardize measures of costs and bene-  
14               fits in accounting statements prepared pursuant to  
15               this Act, including guidance on estimating the costs  
16               and corresponding benefits of regulatory programs  
17               and program elements; and

18               (2) to standardize the format of the accounting  
19               statements.

20          The Director shall review submissions from agencies to as-  
21          sure consistency with the guidance under this section.

22   **SEC. 7. RECOMMENDATIONS FROM CONGRESSIONAL BUDG-**  
23           **ET OFFICE.**

24          After each accounting statement and associated re-  
25          port submitted to Congress, the Director of the Congres-

1 sional Budget Office shall make recommendations to the  
2 President—

3           (1) for improving accounting statements pre-  
4       pared pursuant to this Act, including recommenda-  
5       tions on level of detail and accuracy; and

6           (2) for improving associated reports prepared  
7       pursuant to this Act, including recommendations on  
8       the quality of analysis.

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